

**Marble Mountain Development Corporation**

**Annual Report 2014-15**



**Business, Tourism, Culture and  
Rural Development**

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## MESSAGE FROM THE CHAIR

On behalf of the Board of Directors, I am pleased to present Marble Mountain Development Corporation's (MMDC) Annual Report for May 1, 2014 to April 30, 2015. The annual report is submitted in accordance with the obligation as a category two entity under the *Transparency and Accountability Act*, prepared under the direction of the Board which is accountable for the actual results reported.

MMDC has continued to contribute to the local economy, not only by providing a facility where families can be active and enjoy time together, but also through cooperative partnerships. Marble Mountain Resort has partnered with accommodation, transportation, retail, and activity operators throughout the Province to bring more people to the west coast of Newfoundland, and to support both the public and private business sectors. Through partnerships with youth and non-profit organizations, Marble Mountain has also taken strides to make skiing and snowboarding accessible to as many Newfoundlanders and Labradorians as possible.

In conjunction with hosting a growing number of non-winter events, MMDC has created a base area development plan that aims to ensure the long-term viability of the ski hill, as well as grow the facility as a four season tourism generator. This base area development plan will be implemented over time through strategic partnerships and investment by the private sector. Through continued capital investments, such as the installation of the Lightning Express chairlift this past season, MMDC is executing on long-term plans to preserve the infrastructure of the facilities for decades to come.

It is with thanks to the Board of Directors, management, and staff of Marble Mountain Resort that I present this report. My signature below is indicative of the entire Board's accountability for the preparation of this report and the results reported within.



Robert (Bob) Pike  
Chairperson

## **OVERVIEW**

### **Background**

The Marble Mountain Development Corporation (MMDC) is located in Steady Brook, in the Humber Valley region of Western Newfoundland. The MMDC was established in 1988 to develop the Marble Mountain ski facility into a year-round, full-service resort. In 1995, the base lodge was constructed and the detachable high-speed quad chair lift was installed. In 1999, just before the Canada Winter Games, Marble Villa, the resort's condominium-style accommodation set was erected and opened. The role of the Government of Newfoundland and Labrador (GNL) was to construct the initial critical mass of infrastructure in order to attract private sector investment.

MMDC's current management team consists of five full-time employees (two female and three male) who oversee the year-round operation of the resort. In addition, there are over 100 seasonal employees (53% male, 47% female). During the ski season, an Outside Operations Manager, Snow School Manager and Ski Patrol Manager are hired. The summer operations of the resort consist of weddings, meetings and conferences, and Marble Zip Tours (MZT), which is run by a third-party operator. The majority of employees of MMDC are from the Humber Valley region.

MMDC's audited financial statements for the year ended April 30, 2015 are provided in Appendix C.

### **Legislation**

Legislative authority for the MMDC Board of Directors resides in its formation as a Non-Profit Development Corporation under the *Corporations Act* of Newfoundland and Labrador.

### **Mandate**

The mandate of the MMDC is to serve as a catalyst for tourism development both locally and in the province as a whole. As stated in MMDC's Articles of Incorporation, the mandate of the Board is as follows:

- MMDC shall have marketing as an important priority of its mandate and shall designate a portion of its generated revenues solely to marketing;
- Promote the area as a four-season resort area;
- Actively pursue operators, tenants and/or owners to occupy the lands in the area for the following purposes:
  - Ski facilities
  - Summer activities and attractions
  - Accommodations and services

- Any other activity consistent with the development of a four-season establishment

**Vision**

The Vision of MMDC is of a high-quality, safe, and memorable experience for its guests in a world-class, all-season resort area.

Customer service, safety, and reliability are the top priorities at Marble Mountain. Friendly and efficient service ensures that our guests enjoy their visits. The Outside Operations team follows a stringent maintenance plan and the lifts and machinery are regularly inspected to ensure they are in safe running order according to the most up-to-date codes and regulations.

**Mission**

By the end of this three year plan, MMDC will have enhanced sustainable visitation and improved its client service performance. In working with such private-public partners as the Western Destination Management Organization (WDMO) and others, it will have sought to promote MMDC as a key tourism destination while maintaining fiscal responsibility and seeking to increase revenues from sources other than alpine skiing. This mission statement strengthens links to, and is consistent with, the strategic directions, specifically Strengthening Public Private Partnerships in Tourism. The mission of the MMDC is as follows:

*“By April 30, 2017, the Marble Mountain Development Corporation will have sought to enhance sustainable visitation and client service performance.”*

**Board of Directors**

At the end of this reporting period, April 30, 2015 the Board consisted of the following members:

Chairperson	Robert Pike, St. John’s
Vice Chair	Janice Turner, Corner Brook
Members	James Pike, City of Corner Brook
	Stephen May, Member-at-Large
	Carla Hayes, Member-at-Large
	John Davis, Department of Business, Tourism, Culture and Rural Development (BTCRD), GNL
	Laura Walbourne, Member-at-Large
	Donna Thistle, Town of Steady Brook
	Jerry George, Marble Mountain Ski and Ride Club
	Craig Martin, Department of Finance, GNL
	Carmela Murphy, Department of BTCRD, GNL

## **Lines of Business**

*Alpine Activities and Services.* Downhill skiing and snowboarding are the primary activities at the resort. To enhance the experience, MMDC offers equipment rentals and repairs, various forms of ski and snowboard instruction, child supervision, ski/snowboard locker rentals, and ski patrol (safety and first aid) services. The Resort also hosts a terrain park (an area of the mountain with jumps and rail features) for skill progression and competitions. MMDC creates most of its sponsorship and advertising revenue during the ski and snowboard season through chairlift, digital, and some traditional advertising opportunities.

*Meetings, Conferences and Special Events.* MMDC plays host to weddings, meetings and conferences throughout the spring, summer and fall. During the winter season, events such as Marble Cup Alpine Ski Races, Jibfest (a terrain park competition for snowboarders), Old Sam Day featuring ski and snowboard races, and The Race on The Rock snowmobile races are held to attract new guests and create interest for existing guests. Concerts and other entertainment events are held mostly during winter time as well.

*Accommodations.* Marble Villa is a 31 room accommodation set with condominium-style suites, which range in size from studios to two-bedroom units. These units are characterized as ski-in/ski-out, meaning that they are situated at the base of the mountain to allow easy access for skiing and snowboarding guests. Marble Villa is air-conditioned and open year-round and is convenient for guests attending weddings, meetings and conferences at the base lodge or as a central point to explore Western Newfoundland.

*Food and Beverage.* MMDC provides food and beverage services during the ski and snowboard season via the Cookhouse, a cafeteria-style outlet, and the Knotty Pine Lounge, a licensed bar area. MMDC also provides catering services for all special events held at the resort. From June to September, MMDC operates a barbecue on the deck of the base lodge to attract summer visitation. The barbecue serves guests of Marble Zip Tours' zip line and new high ropes course, as well as Marble Villa users and other tourists in the area.

## **SHARED COMMITMENTS**

**New Vacation Packages.** A new partnered vacation package, the Aerial Adventure was introduced in the summer of 2014. This package combined Marble Zip Tours' zip line and Spider Challenge products with a two night stay at Marble Villa. As such, the Aerial Adventure increased lengths of stay, and encouraged visitors to engage in other activities available at the Resort.

The *Fly, Ski, and Stay* winter vacation packages with Provincial Airlines continued during the 2014-15 ski and snowboard season, adding a new partnership with Linkum Tours which facilitated the inclusion of multiple accommodators as an option for guests purchasing a flight package. This provided greater access to the region as a whole and enhanced selling, and promoted awareness of all the activities, services, and vacation options available in the region. Marketing materials were aligned among all partners to ensure a consistent promotional message about the *Fly, Ski, and Stay* packages.

In addition, MMDC began a partnership with Four Season Tours to offer the Resort's first guided snowmobile experience in the Humber Valley. This collaborative effort, which included snowmobile rentals and transportation through Marble Zip Tours, is another step forward in creating the best winter experience for guests.

**Enhanced Cooperative Marketing.** Stakeholders met prior to the 2014-15 ski and snowboard season to discuss cooperative winter marketing plans and initiatives for the region moving forward. Hosted by Marble Mountain and its marketing agency, m5 Marketing Communications, business owners and operators shared their ideas and feedback on potential cooperative tactics. The result was the creation of a sales program whereby accommodators in the region had the ability to offer winter vacation packages featuring their products in combination with Marble Mountain's. The initiative was created with the goal of providing key participants the tools they need to create the best experience possible for visitors of the Humber Valley region.

**Retrofit Planning for the Governor's Express Chairlift.** The 2014-15 ski and snowboard season was particularly challenging as a result of the August 8<sup>th</sup>, 2014 fire in the lift shack at the top of the Governor's Express chairlift that spread to the upper lift terminal and affected almost the entire chairlift. This meant that all of MMDC's planning and budgeting for the upcoming season would be affected. Working with chairlift manufacturer, Leitner-Poma, a retrofit plan was produced, and began execution in October of 2014. Essentially all components of the chairlift needed to be replaced, with the exception of the chairlift towers.

## **HIGHLIGHTS AND ACCOMPLISHMENTS**

**Infrastructure Improvements.** MMDC is now home to one of the newest chairlifts in the country, and still the only high-speed quad chairlift in Atlantic Canada. As chairlifts are almost never constructed during the winter, the installation of the Lightning Express was a huge success. The new chairlift is a

substantial infrastructure investment that will serve skiers and snowboarders for the next 20 to 25 years.

Another undertaking of the past season with long-term benefits was the replacement of the last of the aging snow making pipes. That means that all of the Resort's snow making pipes, installed over the past three years, are now new, larger, and can produce more snow, more efficiently, and more reliably.

Preventative maintenance on the Black Mariah and Newfie Bullet chairlifts were again undertaken this season, resulting in very small amounts of mechanical downtime during the season, despite the extra work of taking on the entire load of skiers and snowboarders.

MMDC also opted to not make any snow on the western portion of the Mountain, and to operate on all natural snow when that side opened for skiing. The eventual huge amount of snow the area received leading up to the opening of that portion of the Mountain was more than enough to make it through the rest of the season, and the result was big financial savings in snow making, grooming, and labour expenses.

**Customer Service Improvements.** Chris Beckett, General Manager of Marble Mountain Resort, was elected President of the Atlantic Ski Area Association in June, 2014. That role brings greater involvement and leadership within the association, and strengthens ties to the neighbouring ski resorts in the region. Customer service improvements were further enhanced through WorldHost training in December and January, in which 21 MMDC employees, including two members of the management team participated.

The implementation of Resort Suite, Marble Mountain's electronic resort management software, also provided greater flexibility to add products and activities to guests' itineraries in any season. Greater flexibility, such as the ability to add a snowmobile rental or a Spider Challenge tour without having to book a strict, standalone package, resulted in increased sales of external operators' products and services. Overall, Marble Mountain achieved greater guest satisfaction, and greater use of the region and its assets as a whole.

**Key Statistics.** Due to the nature of this past season, and the challenge posed by the chairlift fire, the 2014-15 ski and snowboard season should stand out as an anomaly year in Marble Mountain Resort's historical records. Almost all Resort statistics were affected by the late opening of the Lightning Express.

Despite a late opening day, installation delays, and a late March opening of the Lightning Express chairlift, overall skier visits were down by only 7.7% from the 2013-14 season, which was slightly less than the anticipated drop in visitation.



Skepticism from season pass holders affected early bird season pass sales, however overall pass sales were down by only 9% by the end of the season. At 87 days, the season was the longest in three years, even with a January 9<sup>th</sup> opening, due to a week-long extension at the end from April 6<sup>th</sup> to an April 12<sup>th</sup> closing day. A detailed list of key visitor statistics is provided in Appendix A.

Though skier visits were only down by 7.7 percent, overall lift ticket revenue was down by 17 percent due to the fact that tickets were sold at a discount for over half the season. This again shows the importance of opening as much of the Mountain as possible, as quickly as possible at the beginning of the season, to avoid continued discounting. The effective ticket price (ETP) this past season dropped expectedly to \$25.83 from \$29.91 last season.

Of special note this season was night riding visitation. Marble Mountain had its most successful season of night riding to date, with 922 night tickets sold. With nine night riding sessions over the course of the season that averages to just over 100 night time visits per Friday, not including visitation from season pass holders. This is the first season that night riding visitation has reached that high a volume. Special event pricing, live music and food service every Friday night were the major contributing factors to the success of night riding this year.

**Resort Events.** MMDC events continued to play an important role in attracting guests to the Resort, from both local and destination regions. The regularly scheduled events, such as the New Year's Eve party, Old Sam Day, and *Jibfest* all went off without a hitch. The one difference was in *Jibfest* this season, where MMDC cut out the Friday night entertainment in order to focus on night riding visitation growth, and to take some of the strain of the action-packed weekend off all employees. The Saturday concert went great, as did the Sunday comedy show, which, despite inclement weather, had a surprising turnout of 200 to 300 people. The Western Sno Riders' Race on the Rock snowmobile races had another successful year, proving to be one of the busiest days, again, for the Resort all season. With designated snowmobile parking right in front of the lodge, the snowmobile user group seemed to have its largest attendance at Marble Mountain ever this past season. The abundance of snow on the west coast certainly helped.

Marble Mountain upgraded its contribution to the Corner Brook Winter Carnival this past season, with much success. On one of the Fridays during the two weeks of Carnival, the Resort offered family/group pricing, where four people skiing or snowboarding together could get their lift tickets for just \$49, or lift tickets and rentals for \$99. This event was a great tool to promote the social aspect of skiing, and to attract users who may find pricing a barrier to entry. Western Group of Companies also hosted a community night on a Saturday near the end of the season. With the extra daylight hours, operation of the Lightning Express was

extended to 7:00pm. Guests paid \$5.00 from 4:00pm, and it was another great turnout with strong ticket sales and appreciation for the extra opportunity to ride the new chairlift.

At the end of the season, three brand new events were introduced that the local market enjoyed. During late March and early April, when the number of destination visits start to slow, the Everest Challenge, Auto-Cross, and a terrain park ski competition were scheduled in the events calendar. Each event was well-received and well-attended, and local visitors were the prime participants. Regular guests of the Resort really appreciated the organization of such fun and ski- and snowboard-oriented events, and new sponsors such as Salomon and North Atlantic OrangeStore came on board to support them, as well as existing sponsor and partner, George's Ski World. Marble Mountain partnered with the Canadian Ski Patrol (CSP) for the Everest Challenge, where the first to ski or snowboard the equivalent vertical of Mountain Everest wins a prize. The CSP executed the event, with proceeds going to Marble Mountain's volunteer patrol.

Though Marble Mountain Resort does not host any regularly-occurring events during the non-winter season, 2014 may have marked the beginning of an annual Canada Day event. This past summer, the Resort hosted its first Canada Day party in partnership with MZT. The main attractions were a live band playing on the deck with a multi-team soccer baseball tournament happening in the field at the base area of the Mountain. MZT offered special pricing for their Spider Challenge and Zipline tours. There was a great turnout, with over 40 people participating in the games, with additional people hanging around the deck for the music and atmosphere. The Summer BBQ had its best day on record for the season, with over \$3,000 in food and beverage sales. It was such a success, that planning has begun for Canada Day 2015.

**Marketing and Communication Activities.** One of the key tasks in MMDC's marketing efforts this past season was to effectively communicate accessible chairlift installation information to all users of Marble Mountain Resort, as well as the general public. From the time the chairlift fire occurred in August, the Resort provided regular updates on the progression of the new lift installation, through as many media sources possible. The Marble Mountain blog, years dormant, finally found a place in Marble Mountain's communication strategy. It was essential for disseminating information about the chairlift installation, and became the foremost outlet for other technical or detailed material from the Resort, such as snow making. With regular chairlift updates through social media, skimarble.com, radio, and newspaper, MMDC was transparent about the process, and users of the facility, and the general public, were receptive and appreciative of the honest information sharing and dialogue.

In-resort communication with guests was greatly improved in 2014-15 with the addition of six new screens around the lodge, used for information and entertainment purposes. Four screens were installed at the ticket counter to list pricing, event, and other Resort information, such as hours of operation. Two new screens were installed in the Knotty Pine Lounge and were used for the same purposes, with the addition of ski and snowboard video clips for guests to enjoy as they spend time in the lodge. The existing screen near the fireplace in the Knotty Pine Lounge was used to show cable television, mainly sports, which was a new feature in 2014-15.

The screens greatly helped in promotions, especially in communicating details of all the new events that were planned over the season. The information available on-screen at the ticket counter helped to streamline guest service as well as sell additional products and services, as people were informed of their purchase options as they approached the ticket counter. A very helpful addition to be able to provide guests on the lodge information screens was the new GIS-based trail map created by a student from College of the North Atlantic during the 2013-14 ski and snowboard season. Using the map, the Resort can more clearly than ever show which trails are open, closed, groomed, and ungroomed, as well as which chairlifts are in operation. Using this sort of technology in place of a paper-based mountain and trail status list posted around the Resort is uncommon, and makes Marble Mountain one of the only ski resorts doing it in the country.

**Advertising and Promotional Activities.** Extra effort was put into trying to keep season pass numbers as high as possible this season, with an anticipated drop in sales due to the damaged chairlift. MMDC added Coast Clothing in Stephenville to its list of early bird promotion locations. Marble Mountain was onsite at the store in Stephenville one day in October, where the promotion from years past with other retailers was offered: purchase a season pass in store on that day and receive 20 percent off your purchase. A partnership was created with Magine Snowboards for the Coast Clothing promotion, where any person who purchased a pass in store that day had a chance to win a brand new snowboard from the company. The 20 percent off promotions also happened at Ballistic in St. John's, and at Ski World in Steady Brook.

In addition to Ballistic's participation in the *Marble Perks* discount program for season pass holders, Marble Mountain also offered a free lift ticket valid in January to anyone who purchased a 2015 snowboard from the shop before Christmas, 2014. As in past years, George's Ski World saw the most activity of the in-store early bird promotions, and the retailer again had a large sales day, especially for that time of year, and leading up to a season of uncertainty with the damaged chairlift. Additional *Marble Perks* to increase the value of the season pass to guests of the Resort were 10% off private ski/snowboard lessons, and bring a friend for one free Discover Ski or Snowboarding lesson. The idea

behind that perk is to encourage users of the facility to bring their non-skiing friends to the Resort to introduce them to and experience the alpine sports, as well as the fun, social aspect of skiing and snowboarding.

**Food and Beverage Improvements.** As the Resort continues to move toward a fully integrated customer relationship management system, the food and beverage module of the Resort Suite software line was purchased this past season. The module provides detailed reports on revenue and item sales, and allows the Resort to more quickly and efficiently serve guests. New, healthier food items were also added to the Cookhouse and Knotty Pine Lounge menus.

The Marble Mountain Summer BBQ continued a five day per week operating schedule in 2014, and added more incentive for purchase. Coupons with a small discount were created to hand out to guests at Marble Villa upon check-in, as well as to MZT's zip-line guests through their employees. A sales incentive program was created, wherein the MZT employee with the most redeemed coupons would receive a free meal from the BBQ. The free meal was awarded weekly based on the previous week's coupon redemptions.

**Snow School.** School revenue increased by only under \$1,000 this season over 2013-14, however, profits more than doubled from \$13,841 to \$29,452, an increase of 112.8 percent. This is largely due to significant cost savings in labour. From elementary to high schools all over the Province, 3,090 students came skiing at Marble Mountain as part of the school group program. Revenue from school groups increased by 22.5 percent from 2013-14 to 2014-15.

Almost all the ten-week youth snow school programs sold out this season, almost all with existing waitlists. An information sheet regarding the Krunchers, Riders, and Kids Kamp programs was sent out to approximately 3,000 elementary and junior high school students in October 2014. This was a first for the Resort, and it seemed to work, as the sheet was quoted numerous times during, and after, the registration period. Unfortunately, a larger number than ever of people needed to be turned away due to sold out programs (which illustrated the need for qualified snow school instructors – as lesson availability was only limited by the number of available instructors).

**Marble Villa.** Despite the operational challenges of 2014-15, the MMDC was able to maintain and even modestly expand group business with the addition of a number of non-ski related events, small conferences, and weddings. Non-ski related revenue achieved a record year, and despite challenges, the Marble Villa outperformed any other season in its history. Total revenue at Marble Villa over the 2014-15 fiscal year increased by 28.6 percent over 2013-14, and income increased by 54.2 percent over last year. Average occupancy also grew substantially to 31.2 percent, an increase of 15.2 percent over 2013-14, when

occupancy sat at 27 percent. The average daily rate at Marble Villa increased to \$121.96, an increase of 8.6 percent over last year.

The Marble Villa has proven to be a key driver of lift ticket sales for the Resort. This past season, Marble Villa was responsible for just under \$41,000 in lift ticket sales (\$50,000 in 2013-14), accounting for approximately 8.5 percent of all lift ticket sales across the resort (nine percent in 2013-14). The Villa also contributed nearly \$5,500 to Marble Zip Tours in the winter season through the sale of snowmobile rentals and Zip tours. For the entire fiscal year, Marble Villa contributed in excess of \$30,000 in revenue to MZT through package sales.

This year, Marble Villa responded to requests by our partners at Marble Zip Tours to offer the popular *Zip & Stay* package straight through all four seasons. While this is a departure from packaging lift tickets with accommodations during winter, it becomes the first Marble package to be offered year-round, and first winter package not to include skiing as part of the experience.

Aside from financials, this year Marble Villa made huge strides in enhancing the guest experience. This season, major material and experiential enhancements included:

- All new beds and associated bedding in every guest room
- All new 40" flat-screen TV's in each guest room
- All new sofa-beds (with hospitality 600 count coil mattress) in each Deluxe Studio, One Bedroom Condo, and Two Bedroom Condo
- The creation of a new room style, known as a *Deluxe Studio*, adding three additional beds
- Partial implementation of LED lighting in each guest room to enhance feel and reduce electricity costs
- End of season purchase of a 30 pair, commercial ski boot dryer for locker room use in the 2015-16 winter season
- Ensuring payments are taken at check-in, essentially making check-out obsolete

Guest Satisfaction data continues to be actively collected electronically via an online guest satisfaction e-mail which is automatically sent to the guest upon their check-out. Satisfaction rates were very positive with 95 percent of guests rating their overall experience as a four or five out of 5 while staying at the Marble Villa (up from 80 percent in winter 2013-14).

**Catering.** For the second consecutive year, the catering season had a much better performance than the last. MMDC saw an increase in overall revenue of \$64,635.02, or 29 percent, year over year. Since the 2012-13 catering season, two years ago, revenue has more than doubled, leading to record Events

revenue in the 2014-15 season. This is largely due to record revenues in wedding related activities. Marble Mountain will continue to focus on maintaining strong wedding bookings, while looking to develop additional business through multi-day conferences, special events, as well as identifying cruise ship-related business. Detailed catering revenue information, in comparison to previous years is provided in Appendix B.

**REPORT ON PERFORMANCE**

**ISSUE 1: Strengthening Tourism Marketing and Business Development Partnerships**

This issue contributes to government’s strategic direction, “Strengthening Partnerships in Tourism,” in particular, the continued implementation of the provincial tourism strategy, *Uncommon Potential: A Vision for Newfoundland and Labrador* tourism through strengthened private-public partnership. This issue also contributes to another strategic direction of the Department, “Regional Development, Business and Industry Support” in key areas of partnership and collaboration as well as business development.

**Goal**

By April 30, 2017, MMDC will have achieved a coordinated and effective partnership with tourism industry partners in the region that maximizes promotion and development of MMDC.

**Objective 2014-15**

By April 30, 2015, MMDC will have developed a three-year regional cooperative marketing plan.

**Measure**

Three-year regional cooperative marketing plan developed.

<i>Indicator 1: Identified core regional partners</i>
<ul style="list-style-type: none"> <li>• Regional accommodators and tour operators identified for potential participation.</li> <li>• Invited entities to participate in the regional cooperative marketing planning.</li> </ul>
<i>Indicator 2: Discussed and shared marketing goals and ideas</i>
<ul style="list-style-type: none"> <li>• Held planning session at Marble Mountain Resort to discuss marketing goals and ideas. Attendees included Marblewood Village Resort, Marble</li> </ul>

Inn Resort, the Lodges at Humber Valley, and Linkum Tours.

- Discussed cooperative marketing opportunities for the Humber Valley Region including increased length of stay and increased mid-week visitation; increased access to activities and events for guests and continuation of the Fly, Ski, and Stay packaging.

*Indicator 3: Marketing goals of regional partners identified*

- Partners collaborated to set marketing goals and tactics that will attract selected target markets to the Humber Valley region during winter, including opportunities to use skimarble.com to promote the region collectively.
- A first draft of three-year Humber Valley partnership plan was produced based on feedback which include annual tactics for achieving the goals of the group.

**Discussion of Results:**

Marble Mountain Resort, with m5 Marketing Communications, invited stakeholders in the Humber Valley region to participate in a primary discussion regarding potential joint marketing efforts among operators for the winter season. Activity and tour operators, along with accommodators in the area, attended and shared their needs and objectives as they pertain to the winter season. Attendees included Marblewood Village Resort, Marble Inn Resort, the Lodges at Humber Valley, and Linkum Tours. Provincial Airlines was kept abreast of the knowledge sharing, as they were unable to attend the session.

The discussion uncovered common goals among the group, including those of Marble Mountain Resort: increased length of stay and increased visitation mid-week (incremental business); increased access to activities for guests; more events to draw guests to the region; and the continuation of *Fly, Ski, and Stay* packaging options. It was agreed that skiing and snowboarding at Marble Mountain is the core product to attract guests. However the region needs more offerings in addition to alpine sports to increase visitation. Potential tactics to achieve these goals were discussed: the creation of a portal through skimarble.com to highlight the Humber Valley region in winter; other opportunities to use skimarble.com to promote the region collectively; specific event ideas, such as a cultural and/or food experiences; and specific marketing collateral and delivery options to promote these new and continued partnerships.

Based on group feedback, a first draft of a three-year marketing plan was produced by Marble Mountain Resort and m5 Marketing Communications. The

plan includes yearly tactics for achieving the established goals set by the group, including the definition of target markets for the multi-year plan. The plan will be finalized over the summer of 2015, and execution will begin during the lead up to the 2015-2016 ski and snowboard season.

**Objective 2015-16: By April 30, 2016, MMDC will have taken steps to implement the 3 year marketing plan**

**Measure: Steps taken to implement a 3 year marketing plan**

**Indicators:**

- Three-year marketing plan finalized and shared with partners
- Participating partners selected option(s) that worked best for their business
- Executed year one marketing tactics of the three-year plan

**ISSUE 2: Developing and Enhancing Products and Experience**

A first step in developing MMDC as a four-season resort, which supports the marketing Newfoundland and Labrador as a multi-season tourism destination, is to work collaboratively with partners to enhance the tourist experience. This work supports government's strategic direction of "Strengthening Partnerships in Tourism". This issue also contributes to another strategic direction of the Department, "Regional Development, Business and Industry Support" in the key area of business and industry development.

**Goal**

By April 30, 2017, the MMDC will have completed a comprehensive base area Master Plan and Development Strategy and private-sector investment will be sought to further develop the four-season resort.

**Objective 2014-15**

By April 30, 2015, MMDC will have completed a comprehensive base area Master Plan and Development Strategy

**Measure**

Master Plan and Development Strategy completed.



*Indicator 1: Engaged a proponent to develop a comprehensive base area Master Plan and Development Strategy*

- EcoSign Mountain Resort Planners Ltd. was hired to develop a master plan and development strategy. Specializing in the planning and development of ski resorts, EcoSign assessed Marble Mountain's assets, and developed a Master Plan which was finalized during 2014-15, the Master Plan was well-received by local stakeholders, including accommodators, tour operators, and other local business owners.

*Indicator 2: Sought private sector input into the development of the Master Plan and Development Strategy*

- Stakeholders in the immediate area were invited to information sessions at Marble Mountain Resort regarding the plan.
- Representatives from EcoSign presented their findings and development options to the group.
- Stakeholders provided feedback, and EcoSign adjusted the development plan accordingly.

*Indicator 3: Identified business development opportunities*

- Within the master plan, EcoSign identified business development and potential land use opportunities that would fit within the development strategy of the Resort. Examples included more non-skiing attractions, such as restaurants or a spa, and additional activities such as tubing, ice skating, or shopping.

**Discussion of Results:**

Ecosign Mountain Resort Planners, Ltd., based in Whistler, BC, is a consultancy that specializes in the design of comprehensive, multi-year master plan and development strategies for ski resorts. EcoSign was contracted to create a master plan and development strategy for Marble Mountain Resort.

Upon analysis of the operation, Ecosign created two plan options which included land use opportunities for new activities and attractions to the Resort. The plans were presented to the Board of Directors, and then to stakeholders, including accommodators, tour operators, retailers, other general business owners in the area, as well as some interested parties from the general public. Based on their feedback, the plans were adjusted, a group consensus was achieved and the favoured master plan was selected for execution.

**Objective 2015-16: By April 30, 2016, MMDC will have identified recommended business development priorities**

**Measure: business development priorities identified and recommended**

**Indicators:**

- Input received from current the Marble Mountain Resort stakeholders, including the general public, on business development opportunities based on master plan and development strategy
- Development opportunities shared via public expressions of interest

## **OPPORTUNITIES AND CHALLENGES**

The greatest opportunities for Marble Mountain Resort lie in three areas: private sector investment, increased group visitation, and more accessible and affordable transportation options.

Private sector investment through the newly created resort master plan and development strategy will not only provide extra revenue and increased cash flow for the Resort, it will also create more attractions and add to the overall Marble Mountain experience. MMDC is not in the financial position to build and offer more services and activities to its guests beyond simply building upon existing business units.

The Resort is in need of more non-skiing attractions, such as restaurants or a spa, additional activities such as tubing, ice skating, or shopping; and potentially real estate. Additional summer recreational activities would boost the Resort's abilities as well. Creating these additional attractions rounds out the Marble Mountain experience, and means that one does not need to ski in order to have a great time. Attraction creation provides the opportunity to sell the Resort as an all-around vacation destination. Marble Mountain needs to focus on improving its current lines of business, not creating new ones. With the current development strategy from EcoSign, these opportunities are becoming closer to reality.

Group visitation in the form of ski clubs or other user groups can mean the difference in a profitable season and an unprofitable one. Those potential user groups also include school groups from within the Province visiting more often. One of the goals of the Resort is to work with schools and their curriculums to

include skiing and snowboarding in their programming, as health and fitness have become very important in schools at a young age. Ski clubs or other like-minded groups exist all over Canada. Attracting group visitation during the ski season strongly benefits all business units of the Resort, and is relatively easy to manage.

Finally, the biggest transportation opportunity that exists for Marble Mountain Resort is flight access. Ski resorts do not normally come with an inter-provincial airport within a 30 minute drive – but Marble Mountain does. One of the issues is the cost of flights. Though those costs are decreasing due to greater air access from more airlines and, thus, competition, the price of intra-provincial air travel remains a barrier for most. MMDC has partnered with Provincial Airlines to offer reduced airfare for skiers from St. John's, and the Resort will continue down that path with Linkum Tours next season. The *Fly, Ski, and Stay* package has great value, it just needs more exposure in the marketplace. With increased air access from Toronto and Halifax coming in 2015, those ski clubs and groups become more accessible.

The biggest challenges Marble Mountain Resort faces are weather and increasing costs. It is easy for first time visitors of the Resort to be turned off if they have a bad experience due to weather, and that is in part because of the biggest barrier of all: cost. Skiing and snowboarding are relatively expensive activities to be involved in to begin with, even if one does not have to travel a great distance to take part. The local marketplace, though precious, is shrinking, and can only provide so much revenue for the Resort. MMDC relies heavily on out of town business to provide revenue for all business units, and those visits can and regularly are so easily affected by adverse weather.

Not only is cost an issue for guests, but it is also an issue for operations. The cost of fuel greatly affects all aspects of Marble Mountain, including the three biggest and most essential ones: snow making, grooming, and chairlift operation. MMDC is hyper-sensitive to cost increases, which unfortunately means that at some point, those costs need to be shared with guests. That is why the Resort needs to focus on creating more value for each dollar spent, rather than decreasing price.

## APPENDIX A: VISITOR STATISTICS

### Historical Overview of Selected Key Indicators 2009-10 to 2014-15

Indicator	09-10	Annual % <sup>4</sup>	10-11	Annual % <sup>4</sup>	11-12	Annual % <sup>4</sup>	12-13	Annual % <sup>4</sup>	13-14	Annual % <sup>4</sup>	14-15	Annual % <sup>4</sup>
<b>Skier Visits<sup>1</sup></b>	84,962	- 6.3	72,551	- 14.6	72,470	- 0.11	66,069	-8.8	67,078	+1.5	61,931	-7.7
<b>Ski Days<sup>2</sup></b>	86	- 17.3	82	- 4.7	100	+22	83	- 17	85	+2.4	87	+2.4
<b>Average Per Ski Day<sup>3</sup></b>	988	+ 13.3	885	-10.4	725	-18	796	+9.8	789	+0.9	712	-9.8

#### Glossary

<sup>1</sup> A "skier visit" is an industry term used to denote one visit by a guest. A couple visiting Marble Mountain for one day would be two skier visits. Total skier visits are calculated by adding day pass sales to visits from season passes (see below detailed statistics)

<sup>2</sup> A "ski day" is an industry term to denote the number of days that Marble Mountain was available (open) for guests to ski.

<sup>3</sup> Average Per Ski Day is the number of skier visits divided by the number of ski days open

<sup>4</sup> Annual % is the Increase (+) or Decrease (-) compared to the previous year.

#### Start Dates

2008-09: December 26

2009-10: January 9

2010-11: January 18

2011-12: December 26

2012-13: December 31

2013-14: December 26

2014-15: January 9

All start dates from 2000-01 to 2007-08 were in the third week or last week of December capturing the high visitation, high-yield Christmas-New Year holiday period, traditionally a peak with winter resorts.

The average annual increase/decrease over the six year period 2009-10 to 2014-15 is as follows:

- Skier Visits: -6%
- Ski Days: -2%
- Average Per Ski Day: -2.4%

### Detailed Statistics 2011-12 to 2014-15

	2011-12	2012-13	% Change	2013-14	% Change	2014-15	% Change
<b>Season Passes</b>	2,119	1,940	-8.4%	2,060	6.2	1,872	-9.1
<b>Day Lift Tickets</b>	23,733	21,449	-9.6%	19,968	-8.2	18,875	-5.8
<b>Total Skier Visits</b>	72,470	66,069	-8.8%	67,078	+1.5	61,931	-7.8

\* Total skier visits are calculated by adding day pass sales to visits from season passes. Season pass visitation at Marble Mountain is calculated by multiplying the number of season passes sold by 23. This is the average visits per season pass. This figure was derived by surveying season pass holders.

### Season Pass Sales

	2011-12	% of Total	2012-13	% of Total	2013-14	% of Total	2014-15	% of Total
<b>Student</b>	614	29	440	22.7	166*	8.1*	133*	7.1*
<b>Senior</b>	52	2.5	46	2.4	70	3.4	66	3.5
<b>Family</b>	667	31.5	654	33.7	821	39.9	646	34.5
<b>Adult</b>	448	21	411	21.2	442	21.5	367	19.6
<b>Youth</b>	305	14.5	349	18	526	25.7	493	26.3
<b>Under 5</b>	33	1.5	40	2	30	1.5	44	2.4
<b>80+/Comp/Staff Family</b>	N/A	N/A	N/A	N/A	N/A	N/A	123	6.6
<b>Total</b>	2,119		1,940		2,060		1,872	

\*The significant decrease in Student season passes can most likely be attributed to families purchasing season passes with at least one student-aged family member. In the future, there will be a separate product and cost for adding a student to a family pass. This will provide a better illustration of the number of students purchasing season passes.

## APPENDIX B: CATERING STATISTICS

### Weddings and Events

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b># of Weddings</b>	16	19	17	10	18	20*
<b># of Events</b>	12	18	16	12	14	13*
<b>Grand Total All Events</b>	28	37	33	22	32	33*
<b>Revenues Weddings</b>	\$121,754	\$137,248	\$124,083	\$40,156.99	\$138,694	\$199,086.10
<b>Revenues Events</b>	\$81,475	\$146,061	\$124,199	\$100,527.36	\$86,432	\$90,654.57
<b>Grand Total All Revenues from Above</b>	\$203,230	\$283,309	\$248,282	\$140,684.35	\$225,126	\$289,761.02

*\*1 conference, 1 Wedding, and 2 Christmas Party Events were held in December of 2015 which, while not directly tied to Ski Season, are included in general ski season revenue.*

**APPENDIX C - FINANCIAL STATEMENTS**

**MARBLE MOUNTAIN DEVELOPMENT  
CORPORATION**

**Financial Statements  
For the Year Ended April 30, 2015**

# MARBLE MOUNTAIN DEVELOPMENT CORPORATION

## Financial Statements For the Year Ended April 30, 2015

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## STATEMENT OF RESPONSIBILITY

The accompanying Financial Statements are the responsibility of the management of the *Marble Mountain Development Corporation* and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board of Directors met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

*BDO Canada LLP* as the Organization's appointed external auditors, have audited the Financial Statements. The Auditor's Report is addressed to the General Manager and the Board of Directors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian public sector standards.

  
\_\_\_\_\_  
Chris Beckett  
General Manager

  
\_\_\_\_\_  
Chair of the Board



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Fax: 709 634 1599  
www.bdo.ca

BDO Canada LLP  
50 Main Street  
Suite 300  
Corner Brook NL A2H 1C4 Canada

## INDEPENDENT AUDITOR'S REPORT

To the General Manager and Board of Directors  
**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**

We have audited the accompanying consolidated financial statements of Marble Mountain Development Corporation, which comprise the consolidated statement of financial position as at April 30, 2015 and the consolidated statements of operations, change in net financial asset (net debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Marble Mountain Development Corporation as of April 30, 2015 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

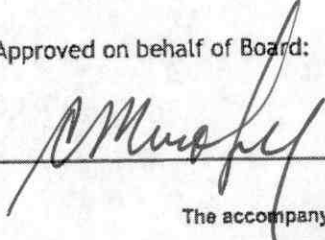
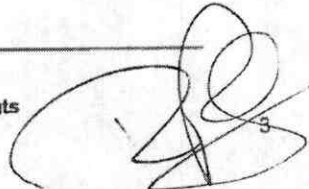
Corner Brook, NL  
June 24, 2015

*BDO Canada LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
As at April 30, 2015

	2015	2014 Restated (Note 6)
<b>FINANCIAL ASSETS</b>		
Cash and bank	\$ 3,000	\$ 3,000
Inventories	26,139	37,136
Accounts receivable (Note 2)	240,728	44,569
	<u>\$ 269,867</u>	<u>\$ 84,705</u>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 4)	1,236,761	1,599,715
Accounts payable and accrued liabilities (Note 5)	658,272	190,099
Current Portion of long term debt (Note 9)	300,000	-
Deferred revenue (Note 2)	22,315	21,500
<b>CURRENT LIABILITIES</b>	<u>2,217,348</u>	<u>1,811,314</u>
Long term debt (Note 9)	-	300,000
Obligations under capital lease (Note 8)	170,672	235,786
<b>LONG TERM LIABILITIES</b>	<u>170,672</u>	<u>535,786</u>
	<u>2,388,020</u>	<u>2,347,100</u>
<b>NET FINANCIAL ASSETS ( DEBT)</b>	<u>\$ (2,118,153)</u>	<u>\$ (2,262,395)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 16,395,935	\$ 13,435,602
Prepaid expenses (Note 3)	19,911	28,223
	<u>16,415,846</u>	<u>13,463,825</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 14,297,693</u>	<u>\$ 11,201,430</u>

Approved on behalf of Board:

The accompanying notes are an integral part of these financial statements

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF OPERATIONS**  
Year Ended April 30, 2015

	2015 Actual	2014 Actual Restated (Note 6)
<b>REVENUES</b>		
Lift Operations (Schedule 2)	\$ (396,535)	\$ (319,219)
Repair Shop (Schedule 3)	30,511	33,499
Rental (Schedule 4)	137,278	136,088
Food and Beverages (Schedule 5)	152,652	133,515
Ski School (Schedule 6)	29,452	13,841
Marketing (Schedule 7)	(54,799)	(47,003)
Marble Villa (Schedule 8)	221,893	148,851
Government Transfers (Note 7)	840,000	840,000
Wage Subsidy Grant	-	1,440
<b>Total revenues</b>	<b>960,452</b>	<b>941,012</b>
<b>EXPENSES</b>		
Administration	24,341	36,396
Bad Debts	931	-
Board and Committee Meetings	-	1,045
Communications	6,350	16,323
Directors Fees	7,325	4,255
Donations	9,401	9,439
Interest and Bank Charges	34,834	51,980
Interest on Capital Leases	11,937	15,511
Labour	208,631	219,304
Miscellaneous	2,047	5,709
Professional Fees	12,906	16,397
Travel and Conference	11,655	9,187
	<b>330,358</b>	<b>385,546</b>
<b>Amortization of Tangible Capital Assets</b>	<b>1,364,368</b>	<b>1,290,652</b>
<b>Total expenses</b>	<b>1,694,726</b>	<b>1,676,198</b>
<b>OPERATING DEFICIT</b>	<b>(734,274)</b>	<b>(735,186)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Insurance Proceeds	1,200,000	-
Government Grants	3,160,872	-
Gain (loss) on Disposal of Assets	(530,335)	4,620
	<b>3,830,537</b>	<b>4,620</b>
<b>ANNUAL SURPLUS</b>	<b>3,096,263</b>	<b>(730,566)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, as restated (Note 6)</b>	<b>11,201,430</b>	<b>11,931,996</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>14,297,693</b>	<b>11,201,430</b>

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**  
**Year ended April 30, 2015**

	2015	2014 Restated (Note 6)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 3,096,263</b>	<b>\$ (735,186)</b>
Acquisition of tangible capital assets	(4,845,775)	(582,001)
Amortization of tangible capital assets	1,364,368	1,290,650
Gain (loss) on disposal of capital assets	530,335	-
Proceeds on disposal of tangible capital assets	-	17,400
Decrease (Increase) in deferred revenue	-	840,000
Decrease (Increase) in prepaids	(949)	27,739
	<b>(2,952,021)</b>	<b>1,593,788</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>144,242</b>	<b>858,602</b>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>	<b>(2,262,395)</b>	<b>(3,120,997)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	<b>\$ (2,118,153)</b>	<b>\$ (2,262,395)</b>

The accompanying notes are an integral part of these financial statements

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

	2015	2014 Restated (Note 6)
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 3,096,263	\$ (735,186)
Items not affecting cash		
Amortization of tangible assets	1,364,368	1,290,650
Gain (loss) on disposal of capital assets	530,335	-
Changes in non-cash items		
Accounts receivable	(196,159)	32,206
Accounts payable and accrued liabilities	468,173	(168,741)
Deferred revenue	816	(28,165)
Prepaid expenses	(949)	18,769
Inventory	10,998	(1,383)
Deferred charges	-	(27,780)
<b>Cash Flow from Operating Activities</b>	<b>5,273,845</b>	<b>380,370</b>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(4,845,775)	(582,001)
Proceeds on disposal of tangible capital assets	-	17,400
<b>Cash Flow from Capital Activities</b>	<b>(4,845,775)</b>	<b>(564,601)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds (repayment) of Bank Indebtedness	(362,954)	204,220
Proceeds from Obligations Under Capital Lease	-	47,939
Repayment of Obligations Under Capital Leases	(65,116)	(67,928)
<b>Cash Flow from (used by) Financing Activities</b>	<b>(428,070)</b>	<b>184,231</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>-</b>	<b>-</b>
<b>CASH AND BANK, BEGINNING OF YEAR</b>	<b>3,000</b>	<b>3,000</b>
<b>CASH AND BANK, END OF YEAR</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>

The accompanying notes are an integral part of these financial statements

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

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**1. Significant Accounting Policies**

**a) Description of Operations**

The Organization is an "Other Government Organization" (OGO) incorporated under the Corporations Act of Newfoundland and Labrador. Its affairs are managed by a Board of Directors appointed by the Lieutenant Governor in Council. The Corporation is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**b) Management's Responsibility for the Financial Statements**

The financial statements of the Other Government Organization are the responsibility of management.

**c) Basis of Accounting**

These financial statements have been prepared using Canadian public sector accounting standards.

**d) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand.

**e) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis

**f) Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs

Area Improvements	30 years
Buildings	15-40 years
Computer Equipment	3 years
Equipment under Capital Lease	10 years
Furniture and fixtures	5 years
Lifts	30 years
Rental Equipment	3 years
Signs	5 years
Vehicles	3-20 years

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

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**g) Government Transfers**

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligible criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**h) Revenue Recognition**

Revenue from sales is recognized when the significant risks and rewards of ownership have been completed and there are no significant obligations remaining, the sales price is fixed and determinable, persuasive evidence of an arrangement exists and collectability is reasonably assured. This usually occurs at the time the services are provided.

**i) Leased Assets**

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Organization, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

**j) Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**k) Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost and are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

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**l) Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for the use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

**2. Accounts Receivable**

	2015	2014
Trade	\$ 34,046	\$ 44,569
HST Receivable	206,682	\$ -
	240,728	44,569
Deferred revenue	(22,315)	(21,500)
	(22,315)	(21,500)

The deferred revenue account records any deposits on events for the upcoming year

**3. Prepaid Expenses**

	2015	2014
Lease of Assets	\$ 1,651	\$ 1,651
Computer Support	4,848	3,738
Automation	4,150	4,311
Uniforms	9,262	18,523
	\$ 19,911	\$ 28,223

**4. Bank Indebtedness**

The line of credit is authorized in the amount of \$2,087,000 and bears interest at the bank's prime rate. It is secured by a Provincial Government guarantee and letter of indemnity and overdraft agreement signed by the Board of Directors

**5. Accounts Payable and Accrued Liabilities**

	2015	2014
Trade	\$ 635,119	\$ 183,158
HST Payable	-	(8,287)
Payroll Deductions Payable	23,153	15,228
	\$ 658,272	\$ 190,099

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

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**6. Prior Period Adjustment**

PS 3410 - 'Government Transfers' became applicable to Other Government Organizations for fiscal periods beginning on or after April 1, 2012. As a result, Marble Mountain Development Corporation should have adopted PS 3410 for the April 30, 2013 fiscal year. Consequently, a prior period adjustment has been made to accumulated surplus and comparative amounts have been restated to correct an overstatement of deferred government assistance and deferred grant as all eligibility requirements and stipulations of the government transfers have been met. The financial statement amounts that are presented for comparative purposes have been restated as follows:

	2014 Previously	Decrease	2014 Restated
Deferred government assistance	5,986,287	(5,986,287)	-
Government transfers revenue	390,000	450,000	840,000
Amortization of Tangible Capital Assets	(930,650)	(360,002)	(1,290,652)
Deferred grant	840,000	(840,000)	-
Accumulated Surplus, Beginning of Year	5,195,706	6,736,290	11,931,996

**7. Government Transfers**

	2015	2014
Provincial Administrative Operating Grant	\$ 390,000	\$ 390,000
Capital Grants	450,000	450,000
Provincial Marketing Grants	175,000	150,000
	<u>\$ 1,015,000</u>	<u>\$ 990,000</u>

**8. Obligations under Capital Lease**

	2015	2014
National Leasing bearing interest at 5.65% per annum, repayable in monthly blended payments of \$4,960. The lease matures on November 1, 2016 and is secured by a charge over specific equipment.	145,675	195,426
National Leasing bearing interest at 6.5% per annum, repayable in monthly blended payments of \$1461. The lease matures on November 1, 2016 and is secured by a charge over specific equipment.	24,997	40,360
	<u>\$ 170,672</u>	<u>\$ 235,786</u>
Amounts payable within one year	(69,027)	(65,113)
	<u>\$ 101,644</u>	<u>\$ 170,673</u>

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOW**  
**Year Ended April 30, 2015**

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**8. Obligations under Capital Lease (Continued)**

Principal payments required over the next two years are as follows:

2016	69,027
2017	101,644

**9. Long Term Debt**

	<u>2015</u>	<u>2014</u>
Department of Innovation, Rural Development and Trade	\$300,000	\$300,000
Current portion of long term debt	<u>300,000</u>	-
Long term debt	<u>\$ -</u>	<u>300,000</u>

**10. Patrol Operating Expenses**

	<u>2015</u>	<u>2014</u>
Labour	\$ 75,372	\$ 74,339
Supplies	15,416	8,162
Telephone	557	714
Radio Rental	2,200	1,240
Sundry	1,920	3,734
	<u>\$ 95,465</u>	<u>\$ 88,189</u>

**Marble Mountain Development Corporation**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended April 30, 2015**

(Schedule 1)

Cost	Totals										
	Area Improvements	Buildings	Computer Equipment	Equipment Under Capital Lease	Furniture and Fixtures	Lifts	Rental Equipment	Signs	Vehicles	2015	2014
Operating costs	\$ 10,757,200	\$ 10,611,966	\$ 119,006	\$ 657,057	\$ 826,662	\$ 5,401,572	\$ 129,353	\$ 96,782	\$ 8,072,735	\$ 36,672,333	\$ 36,133,620
Additions during the year	-	108,981	47,328	-	-	4,371,972	15,747	-	301,747	4,845,775	582,001
Disposals and write downs	-	-	-	-	-	(1,628,817)	-	-	-	(1,628,817)	(43,288)
Closing costs	10,757,200	10,720,947	166,334	657,057	826,662	8,144,727	145,100	96,782	8,374,482	39,889,291	36,672,333
Accumulated Amortization											
Opening accum'd amortization	7,188,198	4,654,028	64,051	340,910	807,693	3,360,773	114,493	96,782	6,609,803	23,236,731	21,985,846
Amortization	358,574	266,661	47,557	75,099	4,215	193,554	8,569	-	400,878	1,355,107	1,281,391
Disposals and write downs	-	-	-	-	-	(1,098,482)	-	-	-	(1,098,482)	(30,506)
Closing accum'd amortization	7,546,772	4,920,689	111,608	416,009	811,908	2,455,845	123,062	96,782	7,010,681	23,493,356	23,236,731
Net Book Value of Tangible Capital Assets	\$ 3,210,428	\$ 5,800,258	\$ 54,726	\$ 241,048	\$ 14,754	\$ 5,688,882	\$ 22,038	\$ -	\$ 1,363,801	\$ 16,395,935	\$ 13,435,602

The accompanying notes are an integral part of these financial statements

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**Lift Operations**  
**Year Ended April 30, 2015**

(Schedule 2)

	2015	2014
<b>Revenue</b>		
Lift Ticket Revenue	\$ 487,615	\$ 589,112
Season Pass Revenue	501,418	611,371
Children Center Revenue	8,387	9,319
Miscellaneous Revenue	87,277	62,865
	<b>1,084,697</b>	<b>1,272,667</b>
<b>Expenditures</b>		
Children's centre	14,393	11,523
Communications	16,777	7,684
Management contract	86,800	100,800
Equipment rental	12,582	1,462
Heating and electricity	128,769	160,150
Insurance	92,489	94,769
Interest and bank charges	41,259	52,727
Labour	460,986	450,703
Lift repairs	31,097	98,279
Maintenance		
Building	40,624	47,172
Slopes	69,904	29,148
Miscellaneous	30,417	20,985
Municipal fees	24,000	40,000
Security	540	299
Patrol expenses (Note 10)	95,465	88,189
Snowclearing	33,360	29,400
Snowmaking		
Electricity	70,312	97,541
Labour	30,715	30,865
Equipment maintenance	53,339	34,919
Supplies	26,851	32,394
Vehicle operating		
Repairs	62,709	78,609
Fuel	50,505	79,733
Uniforms	7,338	4,535
	<b>1,481,232</b>	<b>1,591,886</b>
<b>Income from operations</b>	<b>\$ (396,535)</b>	<b>\$ (319,219)</b>

The accompanying notes are an integral part of these financial statements.

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**Repair Shop**  
**Year Ended April 30, 2015.**

*(Schedule 3)*

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>	<b>\$ 50,593</b>	<b>\$ 54,015</b>
<b>Expenditures</b>		
Labour	19,312	19,104
Supplies	770	1,412
	<u>20,082</u>	<u>20,516</u>
<b>Income from operations</b>	<b>\$ 30,511</b>	<b>\$ 33,499</b>

The accompanying notes are an integral part of these financial statements.

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**Rental**  
**Year Ended April 30, 2015**

*(Schedule 4)*

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>	<b>\$ 187,350</b>	<b>\$ 187,039</b>
<b>Expenditures</b>		
Communications	235	231
Labour	48,607	49,162
Supplies	1,230	1,558
	<u>50,072</u>	<u>50,951</u>
<b>Income from operations</b>	<b>\$ 137,278</b>	<b>\$ 136,088</b>

The accompanying notes are an integral part of these financial statements.

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION****Food and Beverages***(Schedule 5)***Year Ended April 30, 2015**

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>	<b>\$ 782,454</b>	<b>\$ 678,114</b>
<b>Cost of sales</b>	<b>314,681</b>	<b>262,807</b>
<b>Gross profit</b>	<b>467,773</b>	<b>415,307</b>
<b>Expenditures</b>		
Communications	1,353	1,343
Entertainment	6,741	4,475
Interest and bank charges	3,633	-
Labour	243,196	227,151
Licenses and fees	920	800
Miscellaneous	18,140	8,644
Repairs and maintenance	14,122	13,849
Security	4,985	3,082
Supplies	21,078	20,021
Utilities	953	2,427
	<b>315,121</b>	<b>281,792</b>
<b>Income from operations</b>	<b>\$ 152,652</b>	<b>\$ 133,515</b>

The accompanying notes are an integral part of these financial statements.



**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**Ski School**  
**Year Ended April 30, 2015**

*(Schedule 6)*

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>	<b>\$ 138,203</b>	<b>\$ 137,510</b>
<b>Expenditures</b>		
Communications	566	1,004
Krunchers Club	4,831	3,007
Labour	99,316	113,011
Miscellaneous	1,030	3,056
Supplies	1,862	897
Training	1,004	2,694
Uniforms	142	-
	<u>108,751</u>	<u>123,669</u>
<b>Income from operations</b>	<b>\$ 29,452</b>	<b>\$ 13,841</b>

The accompanying notes are an integral part of these financial statements.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

Marketing

(Schedule 7)

Year Ended April 30, 2015

	2015	2014
<b>Revenue</b>		
Sponsorships	\$ 39,400	\$ 38,477
Marketing Revenue - Advertising	22,619	\$ 25,558
Marketing Grant (Note 7)	175,000	150,000
	<u>237,019</u>	<u>214,035</u>
<b>Expenditures</b>		
Advertising		
Internet	-	-
Partnership Contributions	1,297	2,049
Print	3,717	3,374
Digital Media	-	211
Communications	3,381	3,457
Labour	92,058	78,009
Marketing agency	169,733	155,000
Membership fees	3,142	4,173
Office and postage	4,138	-
Ski shows and familiarization tours	5,021	-
Supplies	7,369	10,176
Travel and meetings	894	2,876
Uniforms	1,068	1,713
	<u>291,818</u>	<u>261,038</u>
<b>Income from operations</b>	<u>\$ (54,799)</u>	<u>\$ (47,003)</u>

The accompanying notes are an integral part of these financial statements.

**MARBLE MOUNTAIN DEVELOPMENT CORPORATION**  
**Marble Villa**  
**Year Ended April 30, 2015**

*(Schedule 8)*

	<u>2015</u>	<u>2014</u>
<b>Revenue</b>	<b>\$ 409,132</b>	<b>\$ 326,445</b>
<b>Expenditures</b>		
Cable television	5,769	5,540
Communications	8,487	6,159
Heat and light	38,835	41,209
Labour	77,164	62,936
Insurance	5,606	5,097
Interest and bank charges	10,530	10,902
Laundry	-	510
Marketing	3,035	3,550
Miscellaneous	1,470	742
Repairs and maintenance	20,670	24,203
Supplies	15,673	16,746
	<u>187,239</u>	<u>177,594</u>
<b>Income from operations</b>	<b>\$ 221,893</b>	<b>\$ 148,851</b>

The accompanying notes are an integral part of these financial statements.